

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,

Plaintiff,

y.

DERRICK IVAN LANCE,

Defendant.

INFORMATION

(18 U.S.C. § 1349)

THE UNITED STATES ATTORNEY CHARGES THAT:

COUNT 1

(Conspiracy to Commit Wire Fraud)

1. Between 2004 and 2007, in the State and District of Minnesota and elsewhere, the defendant,

DERRICK IVAN LANCE.

did unlawfully and knowingly conspire, combine, confederate and agree with Individuals A, B, D, E, F and/or Roger Bill Hanks and others unknown to devise and to intend to devise a scheme and artifice to defraud and to obtain money by means of material false and fraudulent representations and promises, and, for the purpose of executing such scheme, to transmit and cause to be transmitted by means of interstate wire certain writings, signs, signals, pictures, and sounds in interstate commerce; all in violation of Title 18, United States Code, Section 1349.

2. During this scheme, Individual A and other individuals acting at Individual A's direction identified residential properties available for purchase in the State of Minnesota.

SCANNED

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3. Individuals A and/or B identified and solicited buyers - the defendant, Roger Bill Hanks, and Individuals E, and F ("buyers") - to purchase these residential properties.

4. Individuals A and B represented to each buyer, including the defendant, that for each property purchased, the property buyer and Individuals A and/or B would receive monetary payments after the property transaction closed.

5. Individuals A and B further represented to each buyer, including the defendant, that the buyer could use his/her monetary payment to pay the monthly mortgage payment for the property, to improve the property, and/or to secure renters for the property.

6. Individual A negotiated a purported purchase price for each residential property that included not only the true purchase price to be paid to the seller but also the monetary payments that would be paid in a concealed manner to the respective property buyer, Individual A, and/or Individual B once each transaction closed.

7. Individual A caused the preparation of purchase agreements that concealed the monetary payments to be made to buyers, Individual A, and/or Individual B following the completion of each property purchase.

8. The defendant used his status as the owner and operator of a licensed mortgage brokerage to assist the defendant, Roger

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Bill Hanks, and Individuals A, B, E, and F, to prepare and submit false mortgage loan application materials to mortgage loan lenders ("lenders") for the purpose of securing mortgage loan funding for each property.

9. The false mortgage loan application materials, which misrepresented each buyer's true financial situation and/or the true nature of each property transaction, were material to the lenders' decisions to fund the requested mortgage loans.

10. The defendant, Roger Bill Hanks, and Individuals A, B, D, E, and F caused lenders to disburse mortgage loan proceeds for the residential property purchases by wire transfer into the bank accounts of title companies in Minnesota.

11. The defendant and Individuals A, B, D, E, and F caused title company closers to disburse mortgage loan proceeds for each residential property transaction to bank accounts not associated with the respective property buyer and for the purpose of concealing payments of mortgage loan proceeds to the respective buyer, Individual A, and Individual B.

13. The defendant personally derived approximately \$200,000 in concealed payments from mortgage loan proceeds for 26 residential properties.

14. In total, the scheme resulted in lenders funding mortgage loans totaling more than \$20 million for the purchase of 57

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Minnesota properties and led to those lenders incurring significant losses through subsequent foreclosures and short-sales involving these properties.

FORFEITURE ALLEGATIONS

Count 1 of this Information is hereby realleged and incorporated as if fully set forth herein by reference, for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

As a result of the offenses alleged in Count 1 of this Information, the defendant shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), in conjunction with Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the violations of Title 18, United States Code, Section 1349.

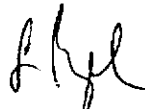
If any of the above-described forfeitable property is unavailable for forfeiture, the United States intends to seek the forfeiture of substitute property as provided for in Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

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All in violation of Title 18, United States Code, Sections 981(a)(1)(C) and 1349, and Title 28, United States Code, Section 2461(c).

Dated: July 22, 2011

B. TODD JONES
United States Attorney

A handwritten signature in black ink, appearing to read 'T. Perzel'.

BY: Tracy L. Perzel
Assistant U.S. Attorney
Attorney ID No. 296326